

WESTSIDE INNOVATIVE SCHOOL HOUSE
CHARTER SCHOOL NUMBERS: 1627 AND 1863
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024



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YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Westside Innovative School House
Los Angeles, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Westside Innovative School House (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Westside Innovative School House and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the school's financial statements as a whole. The WISH Community School, WISH Academy High School, WISH Home Office and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents) accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the local education agency organization structure but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2024 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 12, 2024

WESTSIDE INNOVATIVE SCHOOL HOUSE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

	WISH Community School	WISH Academy High School	WISH Home Office	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,643,615	\$ 112,065	\$ 111,077	\$ -	\$ 1,866,757
Accounts Receivable	730,905	287,256	4,115	-	1,022,276
Intercompany Receivable	250,000	-	-	(250,000)	-
Prepaid Expenses and Other Assets	77,214	41,843	70,595	-	189,652
Total Current Assets	<u>2,701,734</u>	<u>441,164</u>	<u>185,787</u>	<u>(250,000)</u>	<u>3,078,685</u>
LONG-TERM ASSETS					
Property, Plant, and Equipment, Net	85,248	97,511	1,867	-	184,626
Right of Use Asset - Equipment	-	-	157,615	-	157,615
Total Long-Term Assets	<u>85,248</u>	<u>97,511</u>	<u>159,482</u>	<u>-</u>	<u>342,241</u>
Total Assets	<u>\$ 2,786,982</u>	<u>\$ 538,675</u>	<u>\$ 345,269</u>	<u>\$ (250,000)</u>	<u>\$ 3,420,926</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 343,703	\$ 218,276	\$ 113,075	\$ -	\$ 675,054
Deferred Revenue	713,020	227,305	-	-	940,325
Intercompany Payable	-	250,000	-	(250,000)	-
Lease Liabilities	-	-	58,401	-	58,401
Total Current Liabilities	<u>1,056,723</u>	<u>695,581</u>	<u>171,476</u>	<u>(250,000)</u>	<u>1,673,780</u>
LONG-TERM LIABILITIES					
Lease Liabilities	-	-	171,925	-	171,925
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>171,925</u>	<u>-</u>	<u>171,925</u>
Total Liabilities	<u>1,056,723</u>	<u>695,581</u>	<u>343,401</u>	<u>(250,000)</u>	<u>1,845,705</u>
NET ASSETS					
Without Donor Restriction	<u>1,730,259</u>	<u>(156,906)</u>	<u>1,868</u>	<u>-</u>	<u>1,575,221</u>
Total Net Assets	<u>1,730,259</u>	<u>(156,906)</u>	<u>1,868</u>	<u>-</u>	<u>1,575,221</u>
Total Liabilities and Net Assets	<u>\$ 2,786,982</u>	<u>\$ 538,675</u>	<u>\$ 345,269</u>	<u>\$ (250,000)</u>	<u>\$ 3,420,926</u>

See accompanying Notes to Financial Statements.

**WESTSIDE INNOVATIVE SCHOOL HOUSE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	WISH Community School	WISH Academy High School	WISH Home Office	Eliminations	Total
REVENUES, WITHOUT DONOR RESTRICTION					
State Revenue:					
State Aid	\$ 5,803,835	\$ 2,306,119	\$ -	\$ -	\$ 8,109,954
Other State Revenue	2,449,596	842,357	-	-	3,291,953
Federal Revenue:					
Grants and Entitlements	520,543	154,343	-	-	674,886
Local Revenue:					
Contributions	246,190	791,821	1,288	-	1,039,299
Property Tax Revenue	3,173,424	983,645	-	-	4,157,069
Other Revenue	18,770	4,333	2,498,513	(2,449,157)	72,459
Total Revenues, Without Donor Restriction	12,212,358	5,082,618	2,499,801	(2,449,157)	17,345,620
EXPENSES					
Program Services	10,653,071	4,733,955	912,710	(836,829)	15,462,907
Management and General	2,121,931	878,222	1,554,286	(1,522,357)	3,032,082
Fundraising	67,478	22,529	33,529	(89,971)	33,565
Total Expenses	12,842,480	5,634,706	2,500,525	(2,449,157)	18,528,554
CHANGE IN NET ASSETS	(630,122)	(552,088)	(724)	-	(1,182,934)
Net Assets Without Donor Restriction - Beginning of Year	2,360,381	395,182	2,592	-	2,758,155
NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR	<u>\$ 1,730,259</u>	<u>\$ (156,906)</u>	<u>\$ 1,868</u>	<u>\$ -</u>	<u>\$ 1,575,221</u>

See accompanying Notes to Financial Statements.

**WESTSIDE INNOVATIVE SCHOOL HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

WISH Community School				
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 5,903,656	\$ 546,342	\$ -	\$ 6,449,998
Pension Expense	939,385	673	-	940,058
Employee Benefits	531,995	49,232	-	581,227
Payroll Taxes	142,664	42,966	-	185,630
Books and Supplies	413,304	-	-	413,304
Management Fees	-	81,700	-	81,700
Legal Expenses	-	30,471	-	30,471
Office Expenses	-	60,205	-	60,205
Travel	16,887	-	-	16,887
Operation and Housekeeping Services	990,815	21,215	-	1,012,030
Rental, Leases, and Repairs	643,867	79,127	-	722,994
Depreciation	18,741	-	-	18,741
Other Expenses	1,051,757	1,210,000	67,478	2,329,235
Total Functional Expenses	10,653,071	2,121,931	67,478	12,842,480
WISH Academy High School				
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	2,868,083	230,441	-	3,098,524
Pension Expense	472,496	20	-	472,516
Employee Benefits	229,721	18,458	-	248,179
Payroll Taxes	63,345	17,774	-	81,119
Books and Supplies	192,734	-	-	192,734
Management Fees	-	51,288	-	51,288
Legal Expenses	-	11,111	-	11,111
Office Expenses	-	20,367	-	20,367
Travel	7,647	-	-	7,647
Operation and Housekeeping Services	357,290	17,420	-	374,710
Rental, Leases, and Repairs	198,635	78,457	-	277,092
Depreciation	30,807	-	-	30,807
Other Expenses	313,197	432,886	22,529	768,612
Total Functional Expenses	4,733,955	878,222	22,529	5,634,706
Home Office				
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	455,845	421,896	-	877,741
Pension Expense	89,499	3,608	-	93,107
Employee Benefits	116,158	107,508	-	223,666
Payroll Taxes	6,598	31,014	-	37,612
Books and Supplies	7,117	-	-	7,117
Management Fees	-	385,768	-	385,768
Legal Expenses	-	118,560	-	118,560
Accounting Expenses	-	32,533	-	32,533
Office Expenses	-	72,483	-	72,483
Travel	19,100	-	-	19,100
Operation and Housekeeping Services	5,266	-	-	5,266
Rental, Leases, and Repairs	143,648	-	-	143,648
Depreciation	723	-	-	723
Insurance	-	198,828	-	198,828
Other Expenses	68,756	182,088	33,529	284,373
Total Functional Expenses	912,710	1,554,286	33,529	2,500,525
Elimination - Management Fees	(836,829)	(1,522,357)	(89,971)	(2,449,157)
Total Functional Expenses	<u>\$ 15,462,907</u>	<u>\$ 3,032,082</u>	<u>\$ 33,565</u>	<u>\$ 18,528,554</u>

See accompanying Notes to Financial Statements.

**WESTSIDE INNOVATIVE SCHOOL HOUSE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	WISH Community School	WISH Academy High School	WISH Home Office	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	\$ (630,122)	\$ (552,088)	\$ (724)	\$ (1,182,934)
Adjustments to Reconcile Change in Net Assets Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	18,741	30,807	723	50,271
Right of Use Asset - Equipment	-	-	35,933	35,933
Change in Operating Assets				
Accounts Receivable	461,823	137,657	71,476	670,956
Intercompany Receivable	(250,000)			(250,000)
Prepaid Expenses and Other Assets	27,675	(10,255)	(50,084)	(32,664)
Change in Operating Liabilities				
Accounts Payable and Accrued Liabilities	40,884	54,456	57,685	153,025
Deferred Revenue	(173,172)	(112,458)	-	(285,630)
Intercompany Payable		250,000		250,000
Net Cash Provided (Used) by Operating Activities	(504,171)	(201,881)	115,009	(591,043)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property, Plant, and Equipment	(33,895)	(40,464)	-	(74,359)
Net Cash Used by Investing Activities	(33,895)	(40,464)	-	(74,359)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of Financing Leases	-	-	(56,326)	(56,326)
Net Cash Used by Financing Activities	-	-	(56,326)	(56,326)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(538,066)	(242,345)	58,683	(721,728)
Cash and Cash Equivalents - Beginning of Year	2,181,681	354,410	52,394	2,588,485
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,643,615</u>	<u>\$ 112,065</u>	<u>\$ 111,077</u>	<u>\$ 1,866,757</u>

See accompanying Notes to Financial Statements.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Westside Innovative School House (the School) is a nonprofit benefit corporation under the laws of the state of California for the purpose of managing and operating public charter schools located in Los Angeles. The School is economically dependent on state and federal funding.

The charter may be revoked by the State of California Department of Education for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Cash and Cash Equivalents

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2024. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The School reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2024.

Leases

The School determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the School has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The School is required by law to receive in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2024, the School has conditional grants of \$1,081,779 of which \$940,325 is recognized as deferred revenue in the statement of financial position.

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Evaluation of Subsequent Events

The School has evaluated subsequent events through December 12, 2024, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

As of June 30, 2024, financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and grants receivable for the total amount of \$2,889,033.

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 PROPERTY AND EQUIPMENT

The components of property and equipment as of June 30, 2024 are as follows:

Leasehold Improvements	\$ 12,900
Equipment, Furniture and Fixtures	589,086
Total	<u>601,986</u>
Less: Accumulated Amortization	(417,360)
Total Property, Plant, and Equipment	<u>\$ 184,626</u>

Depreciation expense was \$50,271 for the year ended June 30, 2024.

NOTE 5 RETIREMENT PLANS

Qualified employees are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California.

The risks of participating in these multiemployer defined benefit pension plans are different from single employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature, and (c) if the School chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The School has no plans to withdraw from this multiemployer plan.

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2023 total STRS plan net assets are \$316.9 billion, the total actuarial present value of accumulated plan benefits is \$455 billion, contributions from all employers totaled \$7.738 billion, and the plan is 75.9% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and www.calstrs.com.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 RETIREMENT PLANS (CONTINUED)

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The School's contributions to STRS for the past three years are as follows:

<u>Year Ending June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2022	\$ 1,045,694	100%
2023	\$ 1,388,080	100%
2024	1,489,958	100%

403(b) Tax Deferred Annuity Plan

The School sponsors a tax-deferred annuity plan (the Plan) qualified under Internal Revenue Code Section 403(b) covering substantially all full-time employees. The plan provides that full-time employees may voluntarily contribute their earnings to the Plan, up to the maximum contribution allowed by the Internal Revenue Service. The School matches the contributions of classified employees up to 2%. During the year ended June 30, 2024, the School made matching contributions to the plan of \$15,723.

NOTE 6 FACILITY USE AGREEMENTS

WISH Community

The School has entered into a Facilities Use Agreement with Los Angeles Unified School District (LAUSD) for the sole purpose of operating WISH Community Elementary School (located at 6550 W. 80th Street, Los Angeles, California) education programs and related charter school activities. The terms of this agreement are renewed annually and includes rental fees that shall be paid on the first of every month. The Pro-Rata Share of Facilities Cost for the year ended June 30, 2024 was \$389,004.

The School has entered into a Facilities Use Agreement with LAUSD for the sole purpose of operating WISH Community Middle School (located at 7400 W. Manchester Avenue, Los Angeles, California) education programs and related charter school activities. The terms of this agreement are renewed annually and includes rental fees that shall be paid on the first of every month. The Pro-Rata Share of Facilities Cost for the year ended June 30, 2024 was \$311,897.

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 FACILITY USE AGREEMENTS (CONTINUED)

WISH Academy

The School has entered into a Facilities Use Agreement with LAUSD for the sole purpose of operating WISH Academy High School (located at 7400 W. Manchester Avenue, Los Angeles, California) education programs and related charter school activities. The terms of this agreement are renewed annually and includes rental fees that shall be paid on the first of every month. The Pro-Rata Share of Facilities Cost for the year ended June 30, 2024 was \$214,595.

NOTE 7 LEASES - ASC 842

The School leases equipment under a lease that expires April 2028.

The following tables provide quantitative information concerning the School's leases for the year ended June 30, 2024:

Right of Use Asset - Equipment	\$ 210,761
Accumulated Amortization	<u>(53,146)</u>
Total	<u><u>157,615</u></u>

Finance Lease Cost:

Amortization of Right of use Assets	\$ 40,789
Interest on Lease Liabilities	<u>9,251</u>
Total Lease Cost	<u><u>\$ 50,040</u></u>

Cash Paid for Amounts Included in the

Measurement of Lease Liabilities:

Operating Cash Flows from Financing Leases	\$ 9,251
Financing Cash Flows from Financing Leases	\$ 56,326
Weighted-Average Remaining Lease Term - Financing Leases	3.7 years
Weighted-Average Discount Rate - Financing Leases	3.62%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	
2025	\$ 65,578
2026	65,578
2027	65,578
2028	<u>49,184</u>
Undiscounted cash flows	245,918
(Less) imputed interest	<u>(15,592)</u>
Total present value	<u><u>\$ 230,326</u></u>

WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 CONTINGENCIES AND COMMITMENTS

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

In the normal course of business, the School is subject to legal claims. After consultation with the School's legal counsel, management of the School is of the opinion that liabilities, if any, arising from such claims would not have a material effect on the School's financial position.

NOTE 9 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, books and supplies, dues and memberships, travel and conferences, operation and housekeeping services, rental, leases and repairs, communications, operating expenditures, and direct support/indirect cost charges, which are allocated on the basis of estimates of time and effort and direct allocation.

SUPPLEMENTARY INFORMATION

WESTSIDE INNOVATIVE SCHOOL HOUSE
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Instructional Minutes		Instructional Days	Status
	Requirement	Actual		
WISH Community:				
Kindergarten	36,000	51,750	180	In Compliance
Grade 1	50,400	57,380	180	In Compliance
Grade 2	50,400	57,380	180	In Compliance
Grade 3	50,400	57,380	180	In Compliance
Grade 4	54,000	59,000	180	In Compliance
Grade 5	54,000	59,000	180	In Compliance
Grade 6	54,000	59,000	180	In Compliance
Grade 7	54,000	62,720	180	In Compliance
Grade 8	54,000	62,720	180	In Compliance
WISH Academy:				
Grade 9	64,800	67,655	180	In Compliance
Grade 10	64,800	67,655	180	In Compliance
Grade 11	64,800	67,655	180	In Compliance
Grade 12	64,800	67,655	180	In Compliance

See accompanying Notes to Supplementary Information.

WESTSIDE INNOVATIVE SCHOOL HOUSE
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Second Period Report		Annual Report	
	Classroom		Classroom	
	Based	Total	Based	Total
Grades K-3	344.88	351.58	344.19	350.31
Grades 4-6	241.68	244.10	242.38	244.59
Grades 7-8	208.52	210.19	207.61	209.60
ADA Totals	<u>795.08</u>	<u>805.87</u>	<u>794.18</u>	<u>804.50</u>

WISH Academy High School:

	Second Period Report		Annual Report	
	Classroom		Classroom	
	Based	Total	Based	Total
Grades 9-12	248.18	250.25	247.06	249.47
ADA Totals	<u>248.18</u>	<u>250.25</u>	<u>247.06</u>	<u>249.47</u>

See accompanying Notes to Supplementary Information.

**WESTSIDE INNOVATIVE SCHOOL HOUSE
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

There were no differences between the Annual Financial Report and the Annual Financial Report.

See accompanying Notes to Supplementary Information.

**WESTSIDE INNOVATIVE SCHOOL HOUSE
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of the Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

OTHER INFORMATION

**WESTSIDE INNOVATIVE SCHOOL HOUSE
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

The School was established in 2010, when it was granted its charters through the Los Angeles Unified School District (the Sponsor) and its charter school status from the California Department of Education. The charter may be revoked by the Sponsor for material violations of the charter, failure to meet or make progress toward student outcomes, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Charter School number authorized by the state:

WISH Community School – 1627

WISH Academy Charter School – 1863

The board of directors and the administrators as of the year ended June 30, 2024 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (2 year terms)
Miles Remer	President	June 30, 2024
Suzanne Goldstein	Vice President and Secretary	June 30, 2025
Benjamin Tysch	Treasurer	June 30, 2025
Victoria Graf	Director	June 30, 2025
Mary McCullough	Director	June 30, 2024
Jason Rudolph	Director	June 30, 2025
Julie Grimm	Director	June 30, 2024
Karina Fedasz	Director	June 30, 2024
Raj Makwana	Director	June 30, 2024
Fernando Guerra, Ph.D.	Director	June 30, 2024

ADMINISTRATORS

Shawna Draxton	Executive Director
Jennie Brook	Financial Manager



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Westside Innovative School House
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Westside Innovative School House (the School), a nonprofit California public benefit corporation, which comprise the statements of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

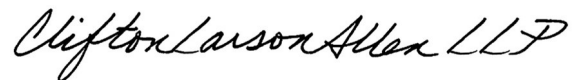
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Glendora, California
December 12, 2024



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors
Westside Innovative School House
Los Angeles, California

Report on Compliance

Opinion on State Compliance

We have audited Westside Innovative School House's (the School) compliance with the types of compliance requirements applicable to the School described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2024. The School's applicable State compliance requirements are identified in the table below.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's government programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	Yes
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable ¹
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable ²
Immunizations	Not Applicable ³
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Not Applicable ⁴
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable ⁵
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable ⁶

Not Applicable¹: The School did not operate an after or before school program component of this grant.

Not Applicable²: The School did not report ADA pursuant to Education Code section 51749.5.

Not Applicable³: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable⁴: The School did not receive a CTEIG allocation for the audit year.

Not Applicable⁵: The School did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

Not Applicable⁶: The School did not receive Charter School Facility Grant Program funding for the year audited.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 12, 2024

**WESTSIDE INNOVATIVE SCHOOL HOUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* or the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**WESTSIDE INNOVATIVE SCHOOL HOUSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.

